

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Bellevue Township	County Eaton
Audit Date 3/31/05	Opinion Date 8/3/05	Date Accountant Report Submitted to State: 11/4/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Douglas Wohlberg, CPA			
Street Address PO Box 1013	City Byron Center	State MI	ZIP 49315
Accountant Signature 			Date 11/4/05

Bellevue Township

Eaton County, Michigan

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Year Ended March 31, 2005

Bellevue Township

Eaton County, Michigan

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March 31, 2005

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INDEPENDENT AUDITORS' REPORT

To the Board
Bellevue Township
Eaton County, Michigan

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Bellevue Township as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bellevue Township management. Our responsibility is to express opinions on these financial statements based on our audit.

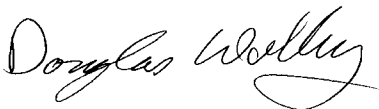
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Bellevue Township as of March 31, 2005, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.

As described in Note 9, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, and related statements as of April 1, 2004. In adopting this statement, the financial statements now include government-wide full accrual financial statements and reorganized fund-based statements.



Byron Center, Michigan
August 3, 2005

BASIC FINANCIAL STATEMENTS

Bellevue Township

Eaton County, Michigan

Statement of Net Assets

For the year ended March 31, 2005

	Governmental activities
<u>GOVERNMENTAL ASSETS</u>	
Cash and cash equivalents	\$ 322,204
Receivables (net)	131,577
Due from other funds	2,105
TOTAL ASSETS	\$ 455,886
<u>GOVERNMENTAL LIABILITIES</u>	
Accrued and other liabilities	5,212
TOTAL LIABILITIES	5,212
<u>GOVERNMENTAL NET ASSETS</u>	
Unrestricted	450,674
TOTAL NET ASSETS	450,674
TOTAL LIABILITIES AND NET ASSETS	\$ 455,886

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Statement of Activities

For the year ended March 31, 2005

Functions/Programs	Expenses	Charges for services	Capital grants and contributions	Governmental activities
PRIMARY GOVERNMENT EXPENSES				
General government	\$ 150,362	\$ 34,821	\$ -	\$ (115,541)
Public safety	35,617	13,025	415	(22,177)
Public works	29,814	9,608	-	(20,206)
Recreation and culture	30,806	-	45	(30,761)
Total Governmental activities	\$ 246,599	\$ 57,454	460	(188,685)

General Revenues

Property taxes	110,659
State-shared revenue	121,641
Unrestricted investment income	6,180
Franchise fees	1,295
Fines and forfeitures	11,812
Miscellaneous	7,287
Total general revenues - special items and transfers	258,874

Change in net assets	70,189
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Net assets at beginning of year	380,485
Net assets at end of year	\$ 450,674

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township
Eaton County, Michigan
Governmental Funds
Balance Sheet
March 31, 2005

General Fund	
<u>ASSETS</u>	
Cash	\$ 322,204
Taxes receivable	131,577
Due from other funds	2,105
TOTAL ASSETS	\$ 455,886
<u>LIABILITIES AND FUND EQUITY</u>	
Accounts payable	\$ 5,200
Payroll deductions payable	12
TOTAL LIABILITIES	5,212
<u>FUND BALANCES</u>	
Designated for	
Undesignated	450,674
TOTAL FUND BALANCES	450,674
TOTAL LIABILITIES AND FUND BALANCES	\$ 455,886

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Reconciliation of Fund Balance of Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets

For the year ended March 31, 2005

Total fund balances - total governmental funds			\$	450,674
Net assets of governmental activities			\$	450,674

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

For the year ended March 31, 2005

General Fund	
<u>REVENUE</u>	
Taxes	\$ 131,577
State grants	121,641
Fines and forfeitures	11,812
Charges for services	37,057
Interest and rents	6,180
Other revenue	8,520
TOTAL REVENUE	316,787
<u>EXPENDITURES</u>	
General government	113,218
Public safety	35,617
Public works	29,814
Community and economic development	15,857
Recreation and culture	30,806
Other	21,286
TOTAL EXPENDITURES	246,598
NET CHANGE IN FUND BALANCES	70,189
FUND BALANCES, BEGINNING OF YEAR	380,485
FUND BALANCES, END OF YEAR	\$ 450,674

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended March 31, 2005

Net change in fund balances - total governmental funds			\$	70,189	
Change in net assets of government activities			\$	70,189	

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Fiduciary Fund

Statement of Net Assets

For the year ended March 31, 2005

<u>Agency Fund Type</u>		
<u>ASSETS</u>		
Cash	\$	239,407
<u>LIABILITIES</u>		
Due to other funds	\$	2,105
Undistributed taxes		237,302
TOTAL LIABILITIES	\$	239,407

The Notes to the Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Bellevue Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Bellevue Township:

A. Reporting Entity

Bellevue Township is governed by an elected five member Board. The Township has no component units, entities for which the government is considered to be financially accountable.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Bellevue Township's property tax is levied on each December 1 on the taxable valuation of property (as defined by State statutes) located in Bellevue Township as of the preceding December 31st.

The 2004 taxable valuation of Bellevue Township totaled \$60,733,500, on which ad valorem taxes levied consisted of the following:

	<u>Mills levied</u>	<u>Raising</u>
Operating	0.8479 \$	51,496
Fire Safety	0.9876	59,980

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government.

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2005

Additionally, the government reports the following fund types:

The Trust and agency fund accounts for property tax collected on behalf of the Township and other units.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

C. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2005

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township normally follows these procedures in establishing the budgetary data reflected in the financial statements:

On or before March 1, the Township supervisor submits to the Board, a proposed operating budget for the fiscal year commencing on April 1. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted at the Township hall to obtain taxpayer comments.

On or before March 31, the budget is adopted by resolution.

Any revisions that alter the total expenditures of any fund must be approved by the Township Board.

Budgeted amounts are presented as originally adopted, or as amended by the Township Board before March 31. Individual amendments were not material in relation to the original appropriations which were amended.

Budgets as presented for the General Fund are prepared on the modified accrual basis of accounting on the activity level. Encumbrances are not recorded at year end. Budget appropriations lapse at the end of each fiscal year.

Budgetary amounts reported herein are as originally adopted, or as amended by the Township Board throughout the operating year.

The Township legally adopts budgets for the General Fund.

Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles, and consist only of those amounts contained in the formal budget approved as amended by the Township Board.

The legal level of control is at the activity level of the General Fund.

The Township Clerk is authorized to transfer budgeted amounts between accounts within the same department. Revisions that alter the total expenditures of any fund or total department expenditures must be approved by the Township Board.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2005

Excess of Expenditures Over Appropriations in Budgeted Funds--During the year, Bellevue Township incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

	Budget appropriation	Actual Expenditure
General Fund		
Public safety	\$ 32,350	\$ 35,617
Community and economic development	-	15,857
Other governmental functions	21,250	21,286

NOTE 3 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes Bellevue Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Bellevue Township Board has designated two banks and the Kent County Treasurer for the deposit of Township funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

Bellevue Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental activities	Fiduciary Funds	Total Primary Government
Cash and cash equivalents	\$ 322,204	\$ 239,407	\$ 561,611

The bank balance of the Township's deposits is \$596,614, of which \$210,264 is covered by federal depository insurance and \$386,350 is uninsured and uncollateralized.

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2005

NOTE 4 - RECEIVABLES

Receivables as of year-end for the Township's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	
Taxes receivable	\$	131,577
Net Receivables	\$	131,577

NOTE 5 - CAPITAL ASSETS

The Township has elected to not retroactively report capital assets. The Township purchased no capital assets during the year ended March 31, 2005.

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances resulting from distribution of property taxes are described in the following schedule.

<u>Receivable Fund</u>	<u>Payable Fund</u>		<u>Amount</u>
General Fund	Tax Account	\$	2,105
Total		\$	2,105

NOTE 7 - RISK MANAGEMENT

Bellevue Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. Bellevue Township has purchased commercial insurance for all claims and participates in the **Accident Fund** for claims relating to employee injuries. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

The Township has no post-retirement benefit plans at this time.

NOTE 9 - ACCOUNTING AND REPORTING CHANGE

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Bellevue Township has applied the provisions of this statement in the accompanying financial statements, except for the management's discussion and analysis, but has included the notes to the financial statements. The Township has elected to implement the general provisions of the statement but not the retroactive reporting of the infrastructure in the current year. Certain significant changes in the financial statements include the following:

Financial statements prepared using full accrual accounting for all of the Township's activities
A change in the fund financial statements to focus on the major fund

REQUIRED SUPPLEMENTAL INFORMATION

Bellevue Township

Eaton County, Michigan

General Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended March 31, 2005

	Original and Final budget	Actual	Variance with budget
REVENUES			
Property Taxes			
Current real property taxes	\$ 43,000	\$ 110,659	\$ 67,659
Delinquent real property taxes	7,500	-	(7,500)
Property tax administration fee	16,000	20,918	4,918
Total Property Taxes	66,500	131,577	65,077
State Grants			
State revenue sharing	100,000	117,531	17,531
Other state grants	2,250	4,110	1,860
Total State Grants	102,250	121,641	19,391
Fines and Forfeitures			
Fines and forfeitures	11,000	11,812	812
Charges for Services			
Services rendered	8,000	22,633	14,633
Sales	11,000	14,274	3,274
Fees	-	150	150
Total Charges for Services	19,000	37,057	18,057
Interest and Rentals			
Interest and dividends	2,500	6,180	3,680
Total Interest and Rentals	2,500	6,180	3,680
Other Revenue			
Contributions and donations	-	460	460
Other	58,200	8,060	(50,140)
Total Other Revenue	58,200	8,520	(49,680)
TOTAL REVENUES	259,450	316,787	57,337

Bellevue Township

Eaton County, Michigan

General Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended March 31, 2005

	Original and Final budget	Actual	Variance with budget
EXPENDITURES			
General government			
Township board	\$ 5,000	\$ 5,075	\$ (75)
Supervisor	13,600	13,875	(275)
Clerk	14,600	15,324	(724)
Board of review	1,200	1,217	(17)
Treasurer	23,400	26,012	(2,612)
Assessor	15,500	15,318	182
Elections	5,000	3,384	1,616
Building and grounds	5,000	4,646	354
Cemetery	33,900	28,367	5,533
Total General government	117,200	113,218	3,982
Public safety			
Fire department	20,000	20,000	-
First responder	12,350	15,617	(3,267)
Total Public safety	32,350	35,617	(3,267)
Public works			
Drains	5,000	2,738	2,262
Street lighting	480	512	(32)
Highways, streets and bridges	45,000	26,564	18,436
Total Public works	50,480	29,814	20,666
Community and economic development			
Planning	-	15,857	(15,857)
Recreation and culture			
Library	38,400	30,806	7,594

Bellevue Township

Eaton County, Michigan

General Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended March 31, 2005

	Original and Final budget	Actual	Variance with budget
Other governmental functions			
Insurance	\$ 10,000	\$ 10,875	\$ (875)
Retirement	-	-	-
Social security	4,000	4,663	(663)
Medicare	-	-	-
Unemployment insurance	-	1,194	(1,194)
Workers compensation insurance	2,000	3,993	(1,993)
Tax tribunal refunds	-	-	-
Other	250	545	(295)
Capital outlay	5,000	16	4,984
Total Other governmental functions	21,250	21,286	(36)
TOTAL EXPENDITURES	259,680	246,598	13,082
NET CHANGE IN FUND BALANCES	(230)	70,189	70,419
Fund balance at beginning of year	290,656	287,257	3,399
Fund balance at end of year	\$ 290,426	\$ 357,446	\$ 73,818

AUDITORS' REPORTS

COMMUNICATION WITH AUDIT COMMITTEE OR ITS EQUIVALENT

To the Board
Bellevue Township
Eaton County, Michigan

We have audited the general purpose financial statements of Bellevue Township, Eaton County, Michigan for the year ended March 31, 2005, and have issued our report thereon dated August 3, 2005. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated August 3, 2005, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the general purpose financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of Bellevue Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

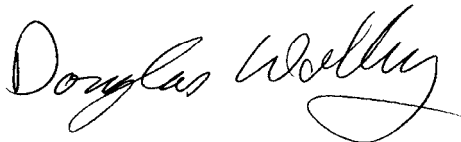
As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Bellevue Township's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Bellevue Township are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2005. We noted no transactions entered into by Bellevue Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Township Board and management of Bellevue Township and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg, CPA
Byron Center, Michigan
August 3, 2005

MANAGEMENT COMMENTS LETTER

To the Board
Bellevue Township
Eaton County, Michigan

In planning and performing our audit of the financial statements of Bellevue Township for the year ended March 31, 2005, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements.

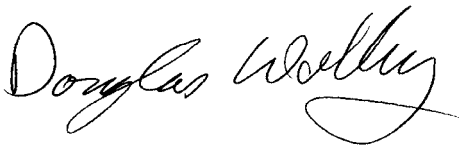
Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect Bellevue Township's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no material weaknesses.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended solely for the information and use of the Board, management, and others within the administration or the State of Michigan and is not intended to be and should not be used by anyone other than these specified parties.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in our audit of the March 31, 2005 financial statements, and this report does not affect our report on those financial statements dated August 3, 2005. We have not considered the internal control since the date of our report.



Douglas Wohlberg, CPA
Byron Center, Michigan
August 3, 2005

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board
Bellevue Township
Eaton County, Michigan

We have audited the general purpose financial statements of Bellevue Township, Eaton County, Michigan as of and for the year ended March 31, 2005, and have issued our report thereon dated August 3, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

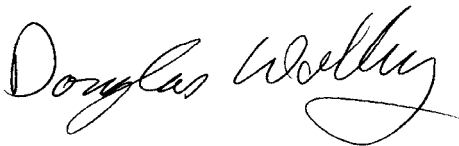
Compliance

As part of obtaining reasonable assurance about whether Bellevue Township's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bellevue Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg, CPA
Byron Center, Michigan
August 3, 2005